



FEDERAL ELECTION COMMISSION  
WASHINGTON, D.C. 20463

RQ-2

Mr. Chris Bachelder, Treasurer  
Michigan Republican State Committee  
2121 E. Grand River  
Lansing, MI 48912

Identification Number: C00041160

FEB 21 2001

Reference: 12 Day Pre-General Report (10/1/00-10/18/00)

Dear Mr. Bachelder:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Your report discloses a \$150,000 increase to the outstanding balance for a loan from Comerica Bank on Schedule C, which has not been recorded on Schedule A. Loans and loan repayments received must be reflected on Schedule A as well as on Schedule C. Please amend your report to clarify this discrepancy. 2 U.S.C. §434(b)(3)(E) and (5)(D)

-Schedule C discloses the outstanding balance at the close of the period for the loan owed to Comerica Bank to be \$300,000. Schedule C-1 of your report discloses this amount to be \$0. Please amend your report to clarify this discrepancy.

-Schedule A supporting Line 12 discloses a transfer(s)-in from the Republican National Committee, the National Republican Senatorial Committee and the National Republican Congressional Committee-Expenditures. Schedules B and H4 supporting Lines 21(a) and 21(b) reflects payments for "Bumper Stickers" and "Yard Signs". Please be advised that a state or local party committee may pay for campaign materials (such as bumper stickers) that are distributed by volunteers in connection with activity on behalf of the party's nominees in a general election. Payments for this type of activity are exempt from the definition of a contribution or expenditure if certain conditions are met. The

conditions are that no public advertising may be used, including distribution by direct mail (mailings by a commercial vendor or from commercial lists); all funds used for the activity must be permitted under the Act; none of the funds used may have been designated for a particular candidate; and finally, payments for the activity may not be made from transfers-in from the national committee to specifically fund the activity. For further guidance, please refer to 11 CFR §100.7(b)(15) and (17) and to the Campaign Guide for Party Committees.

Please clarify the nature of the transfer(s)-in and subsequent payments for the aforementioned disbursement(s). If the activity disclosed on your report does not meet the definition of "exempt" activity as described above and if any portion of the expenditures were made on behalf of specifically identified candidates, that amount must be disclosed on Schedule B or F supporting Line 23 or 25 of the Detailed Summary Page as appropriate

-Itemized disbursements must include a brief statement or description of why the disbursements were made. Please amend Schedule(s) H4 of your report to clarify the following description(s): "consulting". For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §104.3(b)(3).

-Please clarify all expenditures made for "Newspaper Ad", "TV Ad" and "TV Ad Production" on Schedule(s) H4. If a portion or all of these expenditures were made on behalf of specifically identified federal candidates, this amount should be disclosed on Schedules B, E or F supporting Lines 23, 24 or 25 and include the amount, name, address and office sought by each candidate. 11 CFR §§104.3(b) and 106.1

-Please clarify all expenditures for "GOTV". In addition, if any of the voter registration or get-out-the-vote activities referenced House or Senate candidates, they should be allocated accordingly, unless merely incidental to the overall activity. If a portion or all of these expenditures were made on behalf of federal candidates, they should be reported on Schedules B, E or F for Lines 23, 24 or 25 of the Detailed Summary Page, as appropriate.

-Schedule H4 discloses a disbursement(s) which is categorized as an exempt expense(s); however, a Schedule H2 has not been filed to disclose the allocation ratio. All committees are required to allocate the direct costs of each exempt activity in which the committee disburses funds for both federal and non-federal purposes. The costs are allocated according to the

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time and space method and reported on Schedule H2. 11 CFR §106.5(c). Please file a Schedule H2 to disclose the ratio for the exempt activity.

-On Schedule H4 supporting Line 21(a) of the Detailed Summary Page, you have failed to include the total EVENT YEAR-TO-DATE amount for a payment(s) to Marmen Computing, Inc. Please amend your report to include the missing EVENT YEAR-TO-DATE total(s).

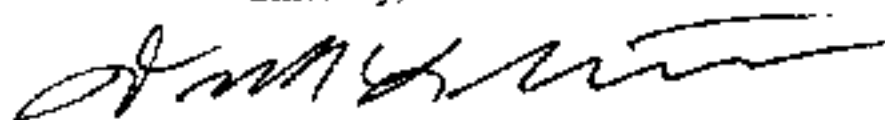
-Your report includes computer produced formats of the Schedule E. Computer produced formats may only be used upon prior approval of the Commission. You should submit a separate sample format with a cover letter requesting approval. Until your format has been approved, FEC forms must be used. 11 CFR §104.2(d)

If the software your committee is using to produce the Schedules of the FEC FORM 3X does not allow you to electronically file your report, you may want to call the vendor who produced your software to inquire about the availability of a software upgrade that includes electronic filing. A number of commercial software companies have added electronic filing capability to their products. A list of these companies is available on the FEC web site, <http://www.fec.gov>.

Alternatively, freeware (FECfile) available from the FEC, can help you complete and file your reports electronically. It installs easily, computerizes every schedule in the FEC FORM 3X, contains features to help you avoid common errors, allows you to file electronically, and has free technical support for your questions. You may obtain your free copy by downloading FECfile from our web site, <http://www.fec.gov>, or by calling the Electronic Filing Office at (202) 694-1307.

A written response or an amendment to your original report(s) correcting the above problem(s) should be filed with the Federal Election Commission within fifteen (15) days of the date of this letter. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530 (at the prompt press 1, then press 2 to reach the Reports Analysis Division). My local number is (202) 694-1130.

Sincerely,



Donald L. Averett  
Reports Analyst  
Reports Analysis Division

